

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

P&T MULTIMEDIA SERVICES,
LTD,

Plaintiff,

v.

RETHINK FINANCIAL INC., *et al.*,

Defendants.

Case No. 2:24-cv-05038-FLA (AGRx)

**ORDER TO SHOW CAUSE WHY
ACTION SHOULD NOT BE
DISMISSED**

ORDER

In California, the elements of a contract are: “1. Parties capable of contracting; 2. Their consent; 3. A lawful object; and, 4. A sufficient cause or consideration.” Cal. Civ. Code § 1550. A contract is unenforceable if it is “1. Contrary to an express provision of law; 2. Contrary to the policy of express law, though not expressly prohibited; or, 3. Otherwise contrary to good morals.” *Id.* § 1667. “Where a contract has but a single object, and such object is unlawful, whether in whole or in part, … the entire contract is void.” *Id.* § 1598. “No court will lend its aid to give effect to a contract which is illegal, whether it violate the common or statute law, either expressly or by implication.” *Kreamer v. Earl*, 91 Cal. 112, 117 (1891) (quoted in

1 *Potvin v. Metro. Life Ins. Co.*, 22 Cal. 4th 1060, 1073 (2000)).

2 It is undisputed Plaintiff P&T Multimedia Services, LTD (“Plaintiff” or “P&T
3 Multimedia”) and Defendant ReThink Financial, Inc. (“ReThink”) signed a Merchant
4 Agreement (“Agreement”) on October 27, 2022. Dkt. 24-1; *see also* Dkt. 25 at 4.¹
5 Defendants Cooraez Keshvani (“Keshvani”), Sean Caffey (“Caffey”), and Rudy Roma
6 (“Roma”) (collectively, with ReThink, “Defendants”) are allegedly owners, directors,
7 or operators of ReThink. *Id.* ¶¶ 3–5, 13. The Agreement underlies and is the basis for
8 all of Plaintiff’s causes of action against Defendants in this action. *See* Dkt. 24
9 (“FAC”) ¶¶ 54–128.

10 Plaintiff alleges it is a Cyprus corporation that provides online gaming services
11 in foreign countries, and that its customers pay for its services using credit cards.
12 FAC ¶¶ 1, 8, 18. Plaintiff further alleges certain banks in the United States are not
13 willing to handle credit card processing traffic for gaming merchants like P&T, due to
14 the greater risk involved in such transactions and concerns that the purchased services
15 violate United States state and federal laws prohibiting gambling. *Id.* ¶¶ 18–19.
16 According to Plaintiff, Defendants ReThink and Keshvani induced Plaintiff to enter
17 into the Agreement by “represent[ing] that ReThink’s processing method hid the type
18 of transaction being processed such as to hide the risk from the banks,” and that
19 “Plaintiff could expand its business geographically because [the processing method]
20 would not disclose that the funds being processed were higher risk gaming funds.” *Id.*
21 ¶ 23. Pursuant to the Agreement, Defendants allegedly facilitated payment
22 transactions with non-parties Evolve Bank (“Evolve”) and JP Morgan Chase Bank
23 (“Chase”). *Id.* ¶ 20.

24 Plaintiff additionally alleges facts suggesting the parties were aware neither
25 Evolve nor Chase would have accepted Plaintiff’s payment transactions had these
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27
28 ¹ The court cites documents by the page numbers added by the court’s CM/ECF
system, rather than any page numbers that appear within the documents natively.

1 banks known of the nature and source of the funds. *See id.* ¶¶ 27–43. For example,
2 Plaintiff alleges it moved all of its transaction traffic to Chase after “Defendants told
3 P&T that P&T’s funds at Evolve had been blocked because another merchant, not
4 P&T[,] had received VISA fines for alleged violations....” *Id.* ¶¶ 29–30. Plaintiff
5 further alleges it specifically and clearly instructed Defendants not to “rerun” credit
6 card transactions that had not been processed due to bank error, “so as not to provoke
7 the users and bring scrutiny from customers or Chase.” *Id.* ¶¶ 35–39. According to
8 Plaintiff, Defendants’ failure to comply with Plaintiff’s instructions “brought scrutiny
9 from Chase” and led to Chase freezing Plaintiff’s funds.” *Id.* ¶¶ 39–40, 43.

10 Based on the facts pleaded, Plaintiff and ReThink appear to have entered into
11 the Agreement to, among other things, aid and abet illegal gambling, and to conceal or
12 disguise the nature, location, source, ownership, or control of Plaintiff’s credit card
13 payment transactions from banks in the United States in violation of, at least, federal
14 law. *See, e.g.*, 18 U.S.C. §§ 1955–1957; 31 U.S.C. §§ 5361–5366.

15 Accordingly, the parties are ORDERED TO SHOW CAUSE in writing, within
16 twenty-one (21) days from the date of this Order, why this action should not be
17 dismissed with prejudice because Plaintiff’s claims, as pleaded, arise from and are
18 dependent upon an agreement with an unlawful purpose. *See, e.g.*, *Potvin*, 22 Cal. 4th
19 at 1073. Responses shall be limited to ten (10) pages in length, excluding
20 declarations, exhibits, and other evidence.

21
22 IT IS SO ORDERED.

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24 Dated: October 23, 2024

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28 FERNANDO L. AENLLE-ROCHA
United States District Judge